

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
March 18, 2004

Call to Order

Chair Kevin Phelps called the meeting to order at 12:12 p.m.

Roll Call

Chair

(P) Kevin Phelps, Tacoma City Councilmember

Vice Chair

(P) Jack Crawford, Kenmore City Councilmember

(P) David Enslow, Sumner City Councilmember

(A) Connie Marshall, Bellevue Mayor

(P) Richard McIver, Seattle City Councilmember

(P) Mark Olson, Everett City Councilmember

(P) Pete von Reichbauer, King County Councilmember

Ms. Marcia Walker, Board Administrator, announced that a quorum of the committee was present at roll call.

Report of the Chair

None.

Chief Financial Officer's Report

Mr. Hugh Simpson, Chief Financial Officer, gave an update on Sound Transit's bond rating. He read the following quote from Moody's Investor Service

"Moody's Investor Service has affirmed the A-1 rating with a positive outlook on the Central Puget Sound Transit Authority's 1999 sales and motor vehicle excise bonds currently outstanding at \$350 million. The A-1 rating and positive outlook reflect the authority's historically strong financial operations, favorable debt service coverage, and encouraging customer demands trends to date."

2003 Tax Revenue Performance Analysis

Mr. Alvan Ikoku, Sound Transit Economist, presented the 2003 Tax Revenue Performance Analysis (copy on file).

(Mr. Enslow and Mr. Olson arrived at this time.)

Mr. Crawford stated that the Eastside Transportation Partnership (ETP) recently sent a letter to Sound Transit requesting that the eastside's excess financial capacity be reserved or earmarked in the Financial Plan, thereby reinforcing Sound Transit's subarea equity policy and enabling those funds to be dedicated to improvements on I-90. He asked if staff could accommodate ETP's request.

Mr. Simpson responded that when staff develops the 2005 Financial Plan, the funds can be earmarked or designated separately to enable the Board to track the funds.

Steel Market Update

Mr. Ahmad Fazel, Link Director, and Mr. Martin Schachenmayr, Project Control Manager, gave a presentation on the recent cost increases for steel (copy on file).

Action Items

Items within Finance Committee Authority for Final Action

Meeting minutes of the March 4, 2004, Finance Committee Meeting

It was moved by Mr. Crawford, seconded by Mr. McIver, and carried by the unanimous vote of all members present that the minutes of the March 4, 2004, Finance Committee meeting be approved as presented.

Motion No. M2004-25 – Authorizing the Chief Executive Officer to execute a six-month contract extension with the KJM & Associates, Inc./JTS Manage Services Joint Venture to provide support services for agency-wide project control activities, in the amount of \$545,687, for a new total authorized contract amount of \$2,012,776. The term of this extension is from April 1, 2004, through September 30, 2004

Mr. Steve Jacobsen, Agency Project Control Manager, presented Motion No. M2004-25.

Public Comment on Motion No. M2004-25

None.

It was moved by Mr. Crawford, seconded by Mr. Olson, and carried by the unanimous vote of all members present that Motion No. M2004-25 be approved as presented.

Motion No. M2004-14 – Authorizing the Chief Executive Officer to execute a contract amendment with Zimmer Gunsul Frasca Partnership to complete final design for the Sounder commuter rail components of the Everett Station, to provide for the design of a Regional Express bus layover area, and to provide design support services during construction for the Everett Station Phase II Project in the amount of \$180,012, with a 10% contingency of \$18,001, totaling \$198,013, for a new total authorized contract amount not to exceed \$1,499,386

Ms. Diane Hilmo, Sounder Project Manager, presented Motion No. M2004-14.

Mr. McIver commented that the City of Everett selected the contractor; therefore, Sound Transit's M/W/DBE goals were not imposed. He asked staff to look at a policy that would impose Sound Transit's M/W/DBE goals on partners when contracting.

Public Comment on Motion No. M2004-14

None.

It was moved by Mr. Olson, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that Motion No. M2004-14 be approved as presented.

Motion No. M2004-22 – Authorizing the Chief Executive Officer to execute a contract with KBA, Inc. to provide construction management services for the Sounder Commuter Rail Everett Station Phase II Project in the amount of \$710,000 with a 10 percent contingency of \$71,000, for a total authorized contract amount not to exceed \$781,000, for a period of three years, with options for two one-year extensions

Mr. Bob Sundin, Sounder Facilities Construction Program Manager, presented Motion No. M2004-22.

Public Comment on Motion No. M2004-22

None.

It was moved by Mr. Olson, seconded by Mr. Crawford, and carried by the unanimous vote of all members present that Motion No. M2004-22 be approved as presented.

Motion No. M2004-23 – Authorizing the Chief Executive Officer to execute a contract with Kleinfelder, Inc. to provide quality assurance materials testing services for the Central Link Light Rail Initial Segment Project in the amount of \$1,212,228 plus a wage increase allowance of \$159,257 and a contingency of \$137,152, for a total authorized contract amount not to exceed \$1,508,637

Mr. Bill Gardner, Quality Assurance Project Manager, presented Motion No. M2004-23.

Public Comment on Motion No. M2004-23

Mr. Paul W. Locke stated concern that Sound Transit might be involved in negotiations on wages pertaining to the contract.

It was moved by Mr. Crawford, seconded by Mr. Olson, and carried by the unanimous vote of all members present that Motion No. M2004-23 be approved as presented.

Item for Recommendation to the Board

Motion No. M2004-24 – Authorizing the Chief Executive Officer to execute a contract amendment with LTK Engineering Services to provide systems engineering construction management services for the Central Link Light Rail Project Initial Segment in the amount of \$15,420,184, with a 7% contingency of \$1,079,413, totaling \$16,499,597, for a new total authorized contract amount not to exceed \$48,805,451, and to extend the term of the contract through December 2009

Mr. Joe Gilder, Link Deputy Director, presented Motion No. M2004-24.

It was moved by Mr. Crawford, seconded by Mr. McIver, and carried by the unanimous vote of all members present that Motion No. M2004-24 be forwarded to the Board with a do-pass recommendation.

Resolution No. R2004-02 – Amending the Adopted 2004 Budget for Sounder Commuter Rail to incorporate an additional \$10 million capital payment to Burlington Northern Santa Fe Railway Company, to provide authority for an additional payment of \$826,000 to Burlington Northern Santa Fe Railway Company for 2004 transit operations in the Everett to Seattle corridor, and to adopt an updated capital spending plan for 2004

Mr. Martin Minkoff, Sounder Director, presented background to Resolution No. R2004-02.

Ms. Barbara Gilliland, Sounder Deputy Director; Mr. Mike Merrick, Lakewood to Tacoma Program Manager; and Mr. Frank Yanagimachi, Everett to Seattle Program Manager, presented an overview of the Sounder Commuter Rail programs.

It was moved by Mr. Crawford, seconded by Mr. Enslow, and carried by the unanimous vote of all members present that Resolution No. R2004-02 be forwarded to the Board with a do-pass recommendation.

Motion No. M2004-21 – Authorizing the Chief Executive Officer to execute Task Order Agreement A-3 with the Washington State Department of Transportation in accordance with the Board-approved “Umbrella Agreement” GCA 3361 to provide construction and construction management for the Federal Way HOV Access/South 317th Street Project in the amount of \$22,000,000 with a 5% contingency of \$1,100,000 for a total authorized amount not to exceed \$23,100,000

Mr. Jerry Dahl, Regional Express Construction Manager, presented Motion No. M2004-21.

It was moved by Mr. von Reichbauer, seconded by Mr. Enslow, and carried by the unanimous vote of all members present that Motion No. M2004-21 be forwarded to the Board with a do-pass recommendation.

Other Business

None.

Next Meeting

Thursday, April 1, 2004, from 12:00 to 2:00 p.m. in the Union Station Board Room, 401 South Jackson Street, Seattle, Washington.

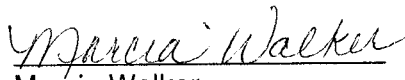
Adjourn

There was no other business; the meeting was adjourned at 2:22 p.m.



Kevin R. Phelps
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator